

# Terms of Reference

Regulatory Conflicts Committee  
25 May 2015

## Contents

1.	PURPOSE.....	4
2.	ACCOUNTABILITY .....	4
3.	AUTHORITY.....	4
4.	DUTIES .....	4
5.	COMPOSITION.....	5
6.	MEETINGS AND PROCEEDINGS .....	6
7.	STAFF FUNCTION / SECRETARY OF RCC .....	6

## DOCUMENT CONTROL

<b>Document Title</b>	Regulatory Conflicts Committee (RCC) Terms of Reference
<b>Owned By</b>	Regulatory Development & Policy (RDP) and Company Secretary's Office (CSO)
<b>Distribution List</b>	All SGX staff
<b>Version No.</b>	3.0

## DOCUMENT HISTORY

<b>Version</b>	<b>Version Date</b>	<b>Written &amp; Updated by</b>	<b>Reviewed &amp; Approved by</b>	<b>Description of Change(s)</b>
2.0	24 Jun 2014	RDP	RCC	1. Standardised format of RCC TOR with other Board Committees' TOR. 2. Aligned RCC TOR (e.g. para 3.2 and 7.2) with other Board Committees' TOR.
	21 Oct 2014	CSO	Board	
	27 Oct 2014	CSO	MAS	
3.0	21 Apr 2015	RDP	RCC	Added paragraph 4.5 – in relation to a new duty to decide on certain SGX-ST Mainboard admission and reverse takeover applications
	22 Apr 2015	CSO	Board	
	23 Apr 2015	CSO	MAS	

## **1. PURPOSE**

- 1.1 The role of the Regulatory Conflicts Committee (“**RCC**”) is to satisfy the Board of Directors (“**Board**”) that any perceived or actual conflict of interest between SGX group’s regulatory responsibilities and commercial interests is addressed. This includes, but is not limited to, considering conflicts of interest or potential conflicts of interest that arise from the listing and quotation of SGX shares on any corporation in the SGX group (“**SGX company**”).

## **2. ACCOUNTABILITY**

- 2.1 The RCC is accountable to the Board for the arrangements and decisions to address any perceived or actual conflict of interest between SGX group’s regulatory responsibilities and commercial interests.

## **3. AUTHORITY**

- 3.1 The RCC has authority to deal with perceived or actual conflict between regulatory responsibilities and commercial interests.
- 3.2 In connection with its responsibilities, the RCC is authorised by the Board, at SGX’s expense, to obtain any external legal or other professional advice, appoint consultants and commission or purchase any relevant reports, surveys and information which it deems necessary, to help it fulfil its duties.

## **4. DUTIES**

- 4.1 Review the adequacy of the arrangements within the SGX group for dealing with any perceived or actual conflict between:-
- 4.1.1 The interests arising from the regulation and supervision of:-
    - 4.1.1.1 The members of any SGX company; and
    - 4.1.1.2 The relevant corporations listed for quotation on a securities market operated by any SGX company; and
  - 4.1.2 The commercial interests of any SGX company or SGX group’s responsibility to its shareholders, including any conflict of interest or potential conflict of interest arising as a result of the listing of the shares of SGX on any market operated by an SGX company.
- 4.2 Carry out regular reviews of the adequacy of the plans, budget and resources of the SGX group and any SGX company in relation to the regulation and supervision of:
- 4.2.1 The members of any SGX company; and

- 4.2.2 The relevant corporations listed for quotation on a securities market operated by any SGX company, and report to the Board if it is of the view that insufficient funding or other resources are being devoted by SGX, to the supervision of members, their subsidiaries and the relevant corporations listed for quotation on a securities market operated by any SGX company.
- 4.3 Where it determines that a conflict of interest or potential conflict of interest does or may arise as a result of the listing of SGX shares on any SGX company, the RCC shall:
  - 4.3.1 Notify the Monetary Authority of Singapore (“**MAS**”) of all relevant facts, including any proposals for resolving the matter in a manner which assures the proper performance of any relevant regulatory functions; and
  - 4.3.2 Provide such information as may be requested by the MAS for purposes of determining whether the SGX group’s regulatory functions can be discharged without the MAS’ intervention.
- 4.4 Review the regulatory implications and reputational risks of strategic initiatives requiring Board approval and are referred to the RCC, and to thereafter report its views to the Board.
- 4.5 Determine the course of action for SGX-ST Mainboard admission and reverse takeover applications in cases where SGX proposes to depart from the Listings Advisory Committee’s advice. The RCC may, at its discretion, refer such cases to the Board for a final decision.

## **5. COMPOSITION**

- 5.1 The RCC shall comprise:
  - 5.1.1 At least 3 directors, all of whom are independent from management and business relationships with SGX; and
  - 5.1.2 At least a majority of directors (including the Chairman) who are independent from any substantial shareholder of SGX.
- 5.2 The independence of the members of the RCC shall be determined in accordance with the prevailing Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005.
- 5.3 A member of the RCC shall hold office until the next Annual General Meeting following that member’s appointment and may be re-appointed to such office.
- 5.4 If the membership of the RCC does not meet any requirement under paragraph 5.1, the Board shall, within 3 months, appoint new members to rectify the composition of the RCC. Any new member appointed shall hold office for the remainder of the term of office of the member of the RCC in whose place he is appointed.

## **6. MEETINGS AND PROCEEDINGS**

- 6.1 Meetings and proceedings of the meetings of the RCC shall be governed by the provisions set out in Appendix A.

## **7. STAFF FUNCTION / SECRETARY OF RCC**

- 7.1 The Chief Regulatory Officer shall provide the staff function for the RCC. He/She shall propose the agenda of the meeting and take action on issues and matters arising from the meetings of the RCC.
- 7.2 The Company Secretary or his/her nominee shall act as the secretary of the RCC (the "Secretary").

## **Meetings and Proceedings**

1. In addition to the scheduled meetings approved by the Board, the RCC may regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat. The Secretary shall, on the requisition of a member, summon a meeting of the members.
2. Seven days' notice, or such shorter notice as may be agreed by members, will be given by the Secretary, specifying the place, time and agenda of the meeting.
3. The quorum necessary for the transaction of the business of the RCC shall be 2, provided that both shall be independent directors.
4. If, at any meeting, the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the members present may choose one of the other independent members to be Chairman of the meeting.
5. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
6. A resolution in writing, signed by a majority of the members for the time being entitled to receive notice of a meeting of the RCC (of which a majority shall be independent), shall be valid as effectual as if it had been passed at a meeting of the RCC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
7. Minutes of proceedings of meetings of the RCC shall be recorded by the Secretary and circulated to all the members. The minutes are to be signed by the Chairman of the meeting. The minute books shall be kept by the Secretary and shall be open for inspection by any director of the Company.
8. The Chairman of the RCC shall report on the proceedings of the RCC to the Board by way of submission of minutes of the RCC meetings or by such other mode as the Chairman shall in his discretion deem fit.
9. The RCC may invite members of management or others to attend the meeting and provide pertinent information as necessary.

-End-